

Message Text

LIMITED OFFICIAL USE

PAGE 01 BUDAPE 02708 120850Z
ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 /021 W
-----115545 130239Z /72
R 120715Z AUG 77
FM AMEMBASSY BUDAPEST
TO: RUEHDC/USDOC WASHDC
INFO SECSTATE WASHDC 9121

LIMITED OFFICIAL USE BUDAPEST 2708

E.O.11652: N/A
TAGS: BEXP, HU
SUBJECT: BROADENING JOINT VENTURE CONCEPT

1. ON AUGUST 10, EMBOFFS CALLED ON DR. KAROLY RAVASZ, DIRECTOR, MAHIR, (MAGYAR HIRDETO OR HUNGARIAN PUBLICITY COMPANY). DURING DISCUSSION OF MAHIR'S OBJECTIVES AND ACTIVITIES, DR. RAVASZ MENTIONED THAT MAHIR AND NEW YORK-BASED ADVERTISING FIRM, YOUNG AND RUBICAM INTNL, ARE NOW NEGOTIATING ESTABLISHMENT OF TWO JOINT EQUITY VENTURE ADVERTISING FIRMS, ONE OF WHICH WILL BE LOCATED IN BUDAPEST AND THE OTHER IN NEW YORK OR WESTERN EUROPE. LOCATION OF FOREIGN FIRM WILL DEPEND ON RELATIVE DISADVANTAGES OF TAXES AND OTHER RESTRICTIONS.

2. JOINT EQUITY VENTURES ARE TO BE ESTABLISHED WITH THREE OBJECTIVES IN MIND: A) TO GENERATE MORE BUSINESS; B) TO ENHANCE QUALITY OF SERVICES WHICH MAHIR PROVIDES TO HUNGARIAN FIRMS CONDUCTING BUSINESS IN FOREIGN MARKETS; C) TO IMPROVE MAHIR'S ADVERTISING TECHNIQUES AND STYLE. ACCORDING TO DR. RAVASZ JOINT VENTURE EFFORTS TO IMPROVE ADVERTISING TECHNIQUES WILL EMPHASIZE DEVELOPMENT OF COMPREHENSIVE MARKETING STRATEGIES RATHER THAN CONCENTRATING ON MECHANICAL PRODUCTION OF ADVERTISING MATERIALS. COMMENT: IN PREVIOUS COOPERA-

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUDAPE 02708 120850Z

TION ARRANGEMENTS WITH U.S. FIRMS, HUNGARIANS TRADITIONALLY HAVE SOUGHT HIGH-TECHNOLOGY MACHINERY AND TECHNICAL KNOW-HOW. NEGOTIATIONS FOR JOINT EQUITY VENTURE ADVERTISING FIRMS SUGGEST HUNGARIANS MAY BE BROADENING THEIR INTEREST IN SUCH COOPERATION ARRANGEMENTS. SINCE SELLING PRODUCTS ON HARD CURRENCY MARKETS WILL REMAIN MAJOR CONCERN FOR HUNGARIANS,

EMBASSY BELIEVES THAT ADDITIONAL, THOUGH MODEST,
OPPORTUNITIES FOR U.S. FIRMS SPECIALIZING
IN MARKET MANAGEMENT, MARKETING AND DISTRIBUTING
SERVICES, AND ADVERTISING SERVICES ARE LIKELY TO
EVOLVE. BEWT MAY WISH TO CONSIDER ALSO AS YET
UNEXPLORED AREAS IN WHICH U.S.-HUNGARIAN JOINT VENTURES
MIGHT PROVIDE OTHER SERVICES SUCH AS INSURANCE FOR
FREIGHT OR FOR JOINT VENTURE PLANT AND EQUIPMENT IN
HUNGARY AS WELL AS IN THIRD COUNTRIES. END COMMENT.
KAISER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BUDAPE02708
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770292-0060
Format: TEL
From: BUDAPEST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770869/aaaacfwj.tel
Line Count: 72
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f75c755b-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1622078
Secure: OPEN
Status: NATIVE
Subject: BROADENING JOINT VENTURE CONCEPT
TAGS: BEXP, HU
To: COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/f75c755b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009